

GRAND HAVEN BOARD OF LIGHT AND POWER
MINUTES
FEBRUARY 14, 2018

A regularly scheduled meeting of the Grand Haven Board of Light and Power was held on Wednesday, February 14, 2018, at 4:00 p.m. at the Grand Haven Board of Light & Power located at 1700 Eaton Drive in Grand Haven, Michigan.

The meeting was called to order at 4:00 p.m. by Chairperson Smart.

Present were Directors Kieft, Naser, VanderMolen, Witherell and Smart.

Also present were David Walters, General Manager; Renee Molyneux, Administrative Services Manager and Secretary to the Board; Lynn Diffell, Accounting and Finance Manager; Rob Shelley, Distribution and Engineering Manager; and Erik Booth, Power Supply Manager.

Director Naser, supported by Director Witherell, moved to approve the meeting agenda. The motion was unanimously approved.

18-2A Director Kieft, supported by Director Witherell, moved to approve the consent agenda. The consent agenda includes:

- Approve the Minutes of the January 18, 2017 Board meeting
- Accept and file the January 2018 Financial Statements and Power Supply and Sales Dashboard
- Approve paying bills in the amount of \$1,315,757.21 from the Operation and Maintenance Fund
- Approve paying bills in the amount of \$287,806.34 from the Renewal and Replacement Fund
- Confirm Purchase Requisition #14816 to St. John Truck and Trailer Service in the amount of \$7,496 to repair the rear axle and differential rebuild for the digger truck
- Confirm Purchase Requisition #14823 to Dubric Packing and Seals in the amount of \$5,954 for parts to rebuild the ash pumps
- Confirm Purchase Requisition #14825 to Power Line Supply in the amount of \$6,740 for LED street light fixtures

The General Manager reviewed the balance sheet and income statement with the Board.

The motion was unanimously approved.

18-2B Public Comment Period — Jan O'Connell distributed Valentine's Day cards to the Board and Staff. No formal action taken.

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18-2C Sims III Condition Assessment — Erik Booth, Power Supply Manager, presented a condition assessment of J.B. Sims Generating Station. Staff utilized external studies, evaluated current operating systems requiring maintenance and repair, and requested quotes for what has been identified amounting to approximately \$15.6 million. Based on the data and our potential to recover the costs of these investments over the remaining life of the plant, staff recommended we “not make these investments,” adjust the plant's operating schedule to optimize the remaining life of plant, and set a closure date of June 1, 2020. Cost estimates are only for what is known. Other required repairs may push this number to above \$30 million. No formal action taken.

18-2D Transmission Service Presentation — General Manager David Walters provided a presentation on Point-to-Point (PTP) vs. Network Integrated Transmission Service (NITS). There are only four utilities in the State of Michigan on PTP: Grand Haven, Holland, Lansing and Marquette. When a utility is on PTP, they do not have to pay the full NITS tariff. Being a PTP customer is the only reason Sims is economical right now and adds more risk for our utility. NITS provides a utility with the highest level of reliability (99.99% plus connectivity) and has less risk than PTP. Western Ottawa County has significant surplus, or redundant, generation capacity. Sims is 2.8% of the West Michigan supply. Prior to closing Sims III, the GHBLP must complete an upgrade of its approximately 12.6 miles of 69kV ‘internal’ transmission lines and become a NITS customer. GHBLP filed a NITS service request to MISO with a potential service date of June 1, 2020. No formal action taken.

18-2E IRP Planning Presentation and Staff Recommendations — General Manager David Walters provided an overview on the integrated resource planning process should the Board approve not investing in Sims. In accordance with the 2017-2021 Strategic Plan, GHBLP Staff will work with Michigan Public Power Agency to develop a more sustainable, economical and diversified power supply portfolio for the community. No formal action taken.

18-2F Public Comment — Director Smant opened the floor for public comment.

Jan O’Connell asked about the advantage of a peaking plant.

John Nash asked if customers benefit by time of use.

Pat McGinnis, City Manager, requested the GHBLP to post the presentations on the website.

Mike Fritz, City Council, recommended the Board seek public input.

General Manager Walters explained the purpose of this evening’s presentation was to provide the Board with information and a recommendation on how we shall move forward.

Chairperson Smant stated the Board’s intent is to entertain public input during the process.

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Beau Ryther, UWUA Local 582 Union President, encouraged the Board to look at the condition of the plant. Beau's role as Union President is to consider his union brothers. He feels the GHBLP is in a good position to move forward while protecting its employees and their families. He agrees with the path recommended by Staff.

Mayor McCaleb stated she is worried about the two-year window and the snow melt system. She does not want to invest \$30 million in a dying plant. She wants to consider BLP employees and work together with the Board to resolve issues.

General Manager Walters stated we need to focus on whether we close Sims or invest millions to extend its life. This is the decision that sets direction going forward.

No formal action taken.

At 6:30 p.m. by motion of Director Witherell, supported by Director Naser, the February 14, 2018 Board meeting was adjourned.

Respectfully submitted,

Renee Molyneux
Secretary to the Board

RM